



## **KNOWLEDGE EXCHANGE WORKSHOP II**

**December 13-14, 1999**

**Cathedral Hill Hotel**

**San Francisco, CA**

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### **PRESENTATION MATERIAL**

#### ***Elements of a Drug/Alcohol-Free Workplace***

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**Manager**

**EAP and Work/Life Services**

**Chevron Corporation**





- Who Is Chevron
- History of Chevron's Drug Free Workplace Efforts
- Key Elements of a Drug/Alcohol Free Workplace
- Results
- Effects on Productivity/Competitiveness

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■ Who Is Chevron

- International Petroleum Company
- Fourth Largest U.S. Oil Company
- Operation in 85 countries
- 22,000 U.S. dollar Employees
- 32,000 Employees Worldwide
- 65% of Workforce: "Safety Sensitive Jobs"

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## ■ Who Is Chevron

### -- Safety Sensitive Jobs

- Adversely affect the environment through contamination of air, water, soil, flora and fauna
- Have the ability to jeopardize community through property damage and imperil members of the public
- Create hazards to themselves, to other employees of the Company, or to contract personnel

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## ■ Who Is Chevron

### -- Highly Safety Sensitive Jobs

- One or all of the above
- Could cause significant event with major financial safety or environmental consequences.
- Works alone or without supervision

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## ■ History of Chevron's Drug Free Workplace Efforts

- 1970 Standard Oil of California sponsors occupational alcoholism program for employees
- 1972 "Professional" trained staff hired; mission re-defined to include emotional problems
- 1977 Program re-named: Employee Assistance
- 1984 Pre-employment and for cause testing initiated where permitted by law
- 1986 Search and surveillance procedures initiated in all manufacturing and operating facilities

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### ■ History of Chevron's Drug Free Workplace Efforts

- 1986 alcohol policies revised; random testing for safety sensitive jobs initiated
- 1989 Generous health benefits for alcohol/drug problems established for all employees
- 1991 Renewed education effort: "Chevron Drug Free Workplace Campaign" launched
- 1991 Search procedures for drug/alcohol established at all office locations
- 1997 Revision of drug/alcohol policies announced for 1998

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### ■ Key Elements of a Drug/Alcohol Free Workplace

#### Questions:

- How well do our programs work, according to our data, and compared to companies inside and outside the petroleum industry?
- Do our policies reduce risk to the public, the environment and the Company?
- Do our policies communicate a clear, broadly applicable policy?

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### ■ Key Elements of a Drug/Alcohol Free Workplace

#### Questions:

- Do they effectively balance cost with risk reduction?
- Do they help to rehabilitate employees who suffer from drug abuse?
- Do they establish a clear, balanced message of appropriate support, constructive confrontation, and, where necessary, progressive discipline up to termination?

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### ■ Management Commitment

- Direct reporting relationship on drug/alcohol issues from Manager of Labor Relations and Employment Compliance to Vice Chairman of Chevron
- Continuous Quality Improvement reviews conducted and reported to four top operating company presidents, vice-chairman and chairman
- Regular communications from chairman to management, supervisors and employees

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### CHEVRON DRUG ABUSE STATISTICS

#### 1984 - 85 Anonymous Testing Results

Richmond	El Segundo	San Francisco
<b>Prehires</b>		
93	92	110
44%	33%	24%
<b>Employees</b>		
126	177	162
19%	27%	10%

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### ■ Supervisor Education

- Extensive training manuals, videos, seminars presented to supervisors and periodically repeated
- Emphasis on supervisory responsibility for identifying employee performance problems and providing "constructive confrontation" and referral to EAP
- 24 hour EAP availability for supervisor consultation

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### ■ Supervisor Education...Cont'd

- **Consistent and Ongoing**
  - Confronts Denial & Tendency to Enable
- **Integrated Within Other Training**
  - Outcome of Developing Good Supervisory Skills
  - Discourages Diagnosing
- **Re-enforced Through Consultation/Support**
  - Recognition of Difficulties and Complexities
  - Medical/EAP as Expert Consultants

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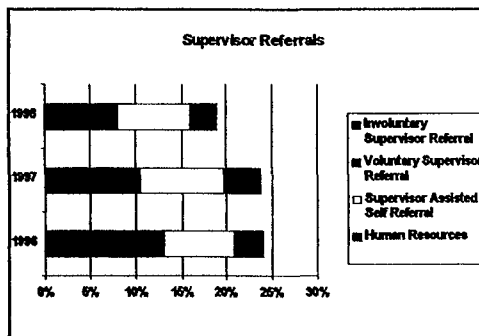
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### ■ Employee Awareness

- **Drug/Alcohol Free Workplace Campaign, launched 1991, provides continuous exposure within the employee environment**
- **Employee Safety meetings, new employee orientation videos especially designed for employee population**
- **Pre-employment, post-accident, random testing**
- **Successfully rehabilitated employees**
- **High EAP consultation/utilization**

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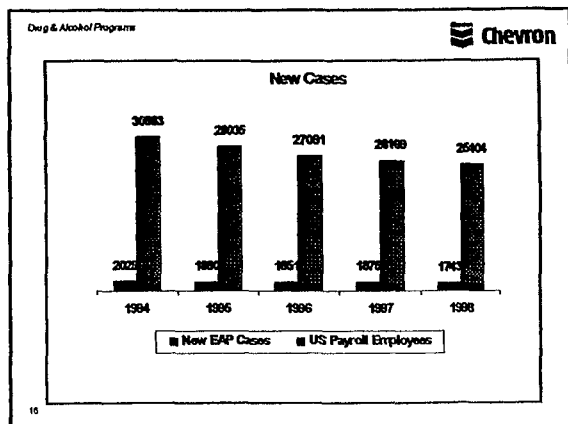
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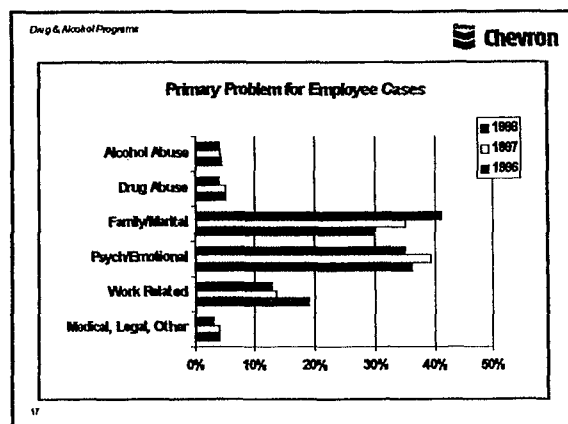
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Drug & Alcohol Programs

**Chevron**

**■ Testing**

- 20,000 employee and job applicant tests each year
- For cause, random, pre-employment, post-accident, post-rehabilitation
- Results in deterrence, about 1% positive/year
- Randoms conducted on all employees safety-sensitive and non-safety-sensitive where law allows

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## ■ Searches

- Searches conducted periodically without advance warning, at all Chevron buildings, facilities, properties
- Positive "hits" dramatically reduced to almost "zero" compliance
- Contributes to employee awareness about Chevron's commitment to drug-free workplace

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## ■ Contractor Compliance

- Policies explained to contracting agencies and individual contractors
- Contractors strictly held to compliance with all Chevron Drug/Alcohol policies
- Video created specifically for contractors' education and compliance

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## ■ Benefits

- Benefit design providing \$25,000 lifetime benefit available to all employees by virtue of employment
- First \$5,000 paid at 100%, no co-payment; remaining \$20,000 paid at 80%, 20% co-payment by employee.
- Available also to all dependents of employees who are covered under employee's medical benefit
- Employees must access benefit through Employee Assistance Program

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## ■ Benefits

- Well Known & Accessible
  - Frequently Publicized
  - Human Resources Well Informed
  - Confidential Access
  - 800# .... EAP/Medical
- Consistent Across All Job Levels
- Internal Vigilance
  - Managing "Managed Care"

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## ■ EAP Rehabilitation

- Policies strongly support self-referral including confidentiality guarantees for employees who come forward
- Typically, employees screening positive on a random will be offered one opportunity for rehabilitation
- All safety-sensitive employees are obliged to agree to a written return-to-work agreement

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## ■ EAP Rehabilitation... Cont'd

### Return to Work Agreement:

- Regular follow-up sessions with EAP counselor
- Continuing outpatient treatment for as long as deemed necessary
- Participation in recovery support groups, i.e. Alcoholics Anonymous
- Submit to regular (after weekend or time-off) and surprise screening for alcohol/drugs

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### ■ EAP Rehabilitation... Cont'd

#### Return to Work Agreement:

- 100% abstinence from alcohol or drugs
- Agree to EAP reporting any lack of compliance to management
  - Non-compliance results in disciplinary action – termination
- Three year duration
- Highly Safety Sensitive Jobs: Duration of Employment

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### ■ Effects on Productivity/Competitiveness

- Drug/Alcohol abusers 3 - 5 times more likely to cause serious accident/damage injury on-the-job
- Study of 600 drug/alcohol cases in follow-up over four years indicates same accident rates as comparative groups without chemical dependency problems
- 70 - 80% retention rate for employees post-rehab averages about 40% higher than post-rehab statistics nationally

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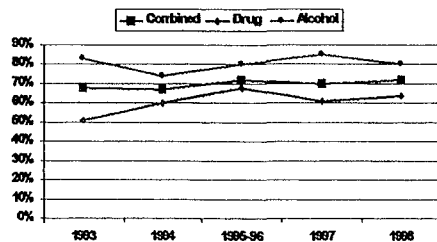
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Two-Year Recovery Rates, 1993-1998



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### ■ Effects on Productivity/Competitiveness...Cont'd

- Reductions in termination, new hiring, training
- Reduction in use of disability benefits for other medical illnesses
- Reduction in dependent's claims for medical benefits
- Reduction in absenteeism, tardiness
- Reduction in problems with peers, supervisors

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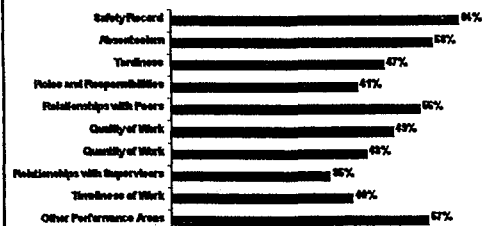
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Percentage of Work Performance Improvement  
Post Supervisor Referral



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### ■ Effects on Productivity/Competitiveness...Cont'd

- Improved safety records
- Quality and quantity of work, measurably increased
- Deeper commitment from employee

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■ **Effects on  
Productivity/Competitiveness...***Cont'd*

— How Do You Measure the Impact of Events  
that Never Happened?

EXXON

VALDEZ

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■ **Effects on  
Productivity/Competitiveness...***Cont'd*

Six - to - One

Return on

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Expended

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■ **Effects on  
Productivity/Competitiveness...***Cont'd*

**Developing Drug/Alcohol Free Workplace**

- Part of the cost of doing business
- Provides excellent return on investment
- Assists all employees in the work environment
- Increases the competitive business advantage

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